DEC 4 1980

Alen-764-B · T22.44/2:501/13

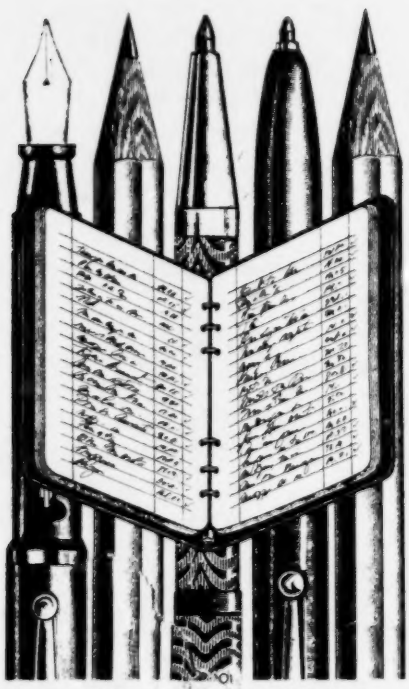
Department of the Treasury
Internal Revenue Service

Publication 501
(Rev. Nov. 80)

Exemptions

B11-543
1200
Orlc
1/12/81
#7057172

For use in preparing
1980 Returns



You can get the tax forms and publications referred to in this publication by writing to the IRS Forms Distribution Center listed in your Form 1040 or 1040A Instructions. Or, you can call the Tax Information number in the phone book listed under "United States Government, Internal Revenue Service."

Introduction

1782

You can always take an exemption for yourself. If you are married, you may be able to take an exemption for your spouse (husband or wife). You may qualify for extra exemptions for yourself and your spouse for age and blindness. You may take an exemption for each person who qualifies as your dependent as discussed in this publication.

If you are a U.S. citizen or resident, a U.S. national, or a resident of Canada or Mexico, you may take any of the exemptions for which you qualify.

A nonresident alien (other than a resident of Canada or Mexico) or a U.S. citizen having income from a U.S. possession that is treated as exempt income may claim only one personal exemption of $1,000. Such a taxpayer may not claim exemptions for a spouse or dependents, or for age or blindness. A resident of Japan may claim exemptions for a spouse and children under certain circumstances.

However, these restrictions do not apply if you are a nonresident alien married to a citizen or resident of the United States and both of you make a choice to file a joint return. You may make this choice if:

1) At the close of the tax year you are a nonresident alien married to an individual who is a U.S. citizen or resident, or
2) At the beginning of the tax year you were a nonresident alien but at the close of that year you are a U.S. citizen or resident married to an individual who is a U.S. citizen or resident on the last day of the tax year.

The choice subjects your combined worldwide incomes to U.S. income tax.

See Publication 519, *U.S. Tax Guide for Aliens.*

Dual-status taxpayers. If you have been both a nonresident alien and a resident alien in the same tax year, you may not follow the rules discussed in this publication. You should get Publication 519 for information on determining your personal exemptions.

Personal Exemptions

You are allowed a $1,000 deduction for each exemption to which you are entitled. If you use the tax tables to figure your tax, you do not take a separate deduction for the exemptions you claim. The $1,000 deduction has already been allowed in the tax tables.

Your Own Exemptions

You may take your own exemption of $1,000 even if you are the dependent of another taxpayer.

Exemption for age. You may take an extra exemption for age if you were 65 or older on the last day of the year. You are considered 65 on the day before your 65th birthday.

Exemption for blindness. You may take an extra exemption if you were blind on the last day of the year. If you are ***totally blind,*** attach a statement to your return saying so.

You may claim the exemption for blindness if:

1) You cannot see better than 20/200 in the better eye with glasses; or
2) Your field of view is not more than 20 degrees.

If you are partly blind, you must submit with your return each year a statement from an eye physician or registered optometrist that your vision is limited at least to this degree.

If your eye condition will never improve beyond these limits, you may submit a certified opinion saying so from an examining eye physician. Attach this certification to your return once. In later years you can just attach a statement referring to the certification.

If your vision can be corrected beyond these limits only by contact lenses that you can wear only briefly because of pain, infection, or ulcers, you may take the exemption for blindness.

Exemptions for Your Spouse

Your spouse is never considered your dependent. You are permitted the exemptions only because you are married.

If you file a joint return, you may take a $1,000 exemption for your spouse. You may take the age and blindness exemptions for your spouse if they apply.

If you file a separate return, you may take an exemption for your spouse only if your spouse had no gross income and was not the dependent of another taxpayer. If you take the exemption for your spouse, you also may take the age and blindness exemptions if they apply to your spouse. This is true even if your spouse is a nonresident alien.

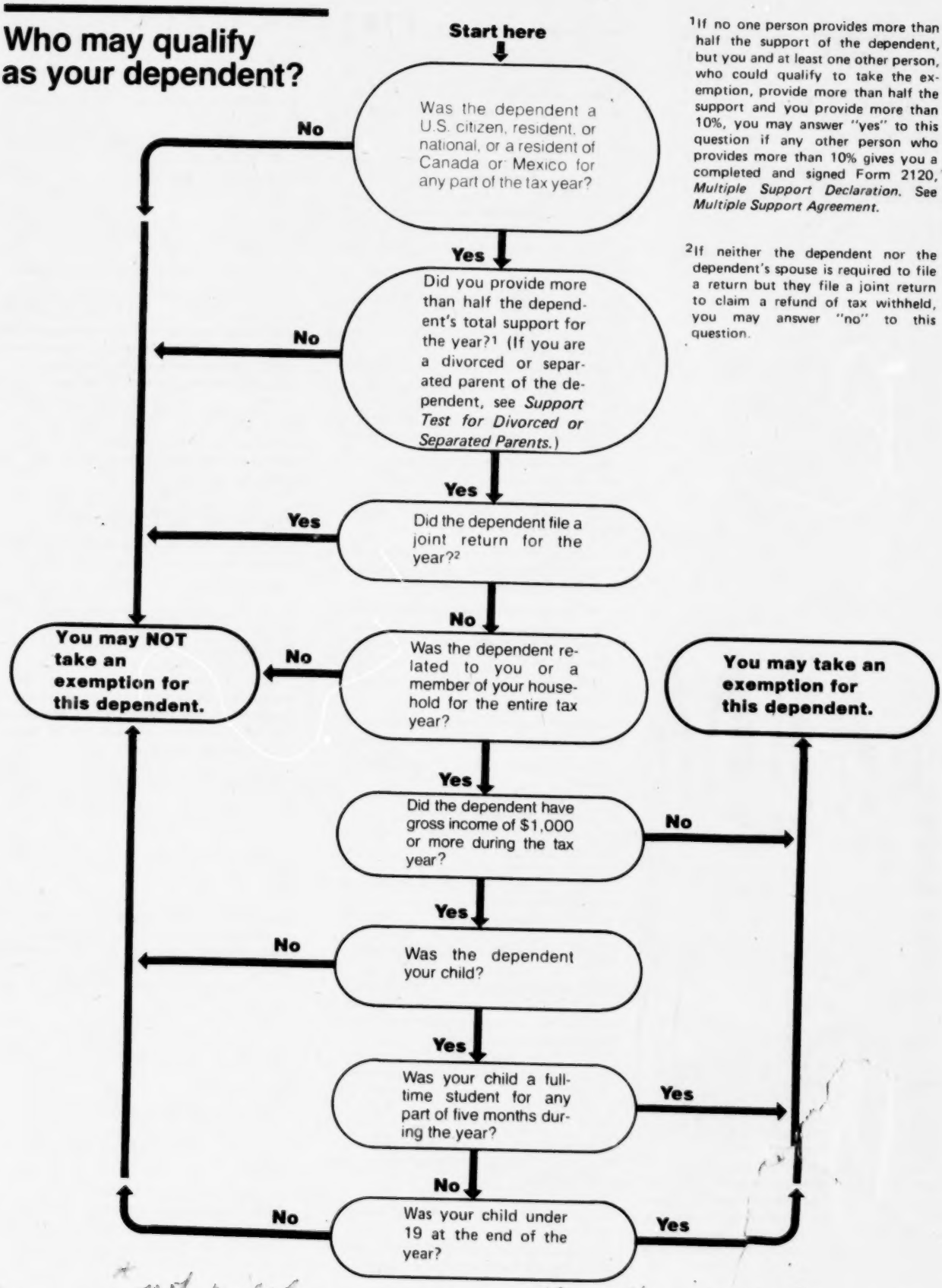
If your spouse had any gross income, you may claim the exemptions only if you file jointly.

If your spouse died during the year and had no gross income, you may take the exemptions on a joint return, or on a separate return if your spouse was not the dependent of another taxpayer. The extra exemptions for age and blindness are determined as of the date of death. If your spouse would have reached 65 during the year, but died before his or her birthday, you cannot take the extra exemption for age. If your spouse had gross income and you take the exemptions, you must file a joint return and include your spouse's income.

If you remarried during the year, you may not take exemptions for your deceased spouse.

If you are a surviving spouse without gross income and you remarry, you may be claimed as an exemption on the final separate return of your deceased spouse. You also may be claimed on the separate return of

Who may qualify as your dependent?


Start here
Was the dependent a U.S. citizen, resident, or national, or a resident of Canada or Mexico for any part of the tax year?
No
Yes
Did you provide more than half the dependent's total support for the year?[1] (If you are a divorced or separated parent of the dependent, see *Support Test for Divorced or Separated Parents.*)
No
Yes
Did the dependent file a joint return for the year?[2]
Yes
No
Was the dependent related to you or a member of your household for the entire tax year?
No
You may NOT take an exemption for this dependent.
Yes
Did the dependent have gross income of $1,000 or more during the tax year?
No
You may take an exemption for this dependent.
Yes
Was the dependent your child?
No
Yes
Was your child a full-time student for any part of five months during the year?
Yes
No
Was your child under 19 at the end of the year?
No
Yes

[1] If no one person provides more than half the support of the dependent, but you and at least one other person, who could qualify to take the exemption, provide more than half the support and you provide more than 10%, you may answer "yes" to this question if any other person who provides more than 10% gives you a completed and signed Form 2120, *Multiple Support Declaration.* See *Multiple Support Agreement.*

[2] If neither the dependent nor the dependent's spouse is required to file a return but they file a joint return to claim a refund of tax withheld, you may answer "no" to this question.

* not printed

S/N 048-004-01739-3

your new spouse whom you married in the same year. If you file a joint return with your new spouse, you may be claimed as an exemption only on that return.

If you were divorced or legally separated at the end of the year, you may not take your former spouse's exemptions. This rule applies even if you contributed all of your former spouse's support.

Exemptions for Dependents

You can take an exemption of $1,000 for each dependent who meets the five dependency tests. You may take an exemption for your child who qualifies as your dependent even if your child files a return. See *5. Joint Return Test*, later.

You cannot claim the age and blindness exemptions for a dependent.

If your child was born alive during the year, and the dependency tests are met, you may take the full $1,000 exemption. This is true even if the child lived only for a moment. A child is considered to have lived if the state or local law treats the child as having been born alive. There must be proof of a live birth shown by an official document, such as a birth certificate. You may not claim an exemption for a ***stillborn child.***

If your dependent died during the year, and the dependency tests were met for the part of the year the dependent lived, you may take the full $1,000 exemption.

Example. Your mother died on January 15. You provided all her support for the time she lived during the year. You may take a full $1,000 exemption for her on your return.

Housekeepers, maids, and servants who work for you may not be claimed as dependents.

Dependency Tests

The following five tests must be met for a person to qualify as your dependent:

1. Support Test
2. Gross Income Test
3. Member of Household or Relationship Test
4. Citizenship Test
5. Joint Return Test

1. Support Test

You must provide more than half the dependent's total support during the calendar year. You figure whether you have provided more than half, by comparing the amount you contributed to the dependent's support with the entire amount of support received from all sources. This amount includes the dependent's own funds used for support. You may not include in your contribution any part of the support that is paid for by your child with the child's own wages, even if you pay the wages. See *Total Support* and *Foster Child* later in this publication and the *Worksheet for Determining Support*, at the end of this publication. For exceptions to the support test, see *Multiple Support Agreement* and *Support Test for Divorced or Separated Parents*.

The total cost, not the period of time you provide the support, determines whether you provide more than half the support.

The year you provide the support. You provide support in the year you pay for it, even if you do so with borrowed money that you repay in a later year.

If you use a fiscal year to report your income, you must provide more than half the dependent's support for the calendar year in which your fiscal year begins.

2. Gross Income Test

Generally, you may not take an exemption for a dependent if that person had $1,000 or more gross income for the year.

If you file on a fiscal year basis, the gross income test applies to the calendar year in which your fiscal year begins.

Gross income is all income in the form of money, property, and services that is not exempt from tax.

In a manufacturing, merchandising, or mining business, gross income is the total sales minus the cost of goods sold.

Gross receipts from rental property are gross income. You may not deduct taxes, repairs, etc., and consider the net receipts as rental income.

Partnership income of a dependent is a partner's share of the gross, not a share of the net partnership income.

Tax-exempt income, such as social security payments, is not included in gross income.

If your child is under 19 at the end of the year, the gross income test does not apply. Your child may have any amount of income and still be your dependent, if the other four tests are met.

Your child is your son, stepson, daughter, stepdaughter, a legally adopted child, and a child who was placed with you by an authorized placement agency for your legal adoption. A foster child who was a member of your household for your entire tax year is also considered your child. See *Foster Child*, discussed later.

Example. Marie Jones, age 18, earned $1,050. Frank, her father, provided more than half her support. Marie may be claimed as a dependent because the gross income test does not apply and the other four tests were met. Frank lists Marie on his return as one of his dependent children who lived with him.

If your child is a student, the gross income test does not apply. The child's age does not matter. However, the other four tests must be met.

To qualify as a student your child must be, during some part of each of 5 calendar months of the calendar year (not necessarily consecutive):

1) A full-time student at a school that has a regular teaching staff, course of study and regularly enrolled body of students in attendance, or
2) A student taking a full-time, on-farm training course. The course has to be given by a school or a state, county or local government. The school must have a regular teaching staff, course of study, and regularly enrolled body of students in attendance.

A full-time student is one who is enrolled for the number of hours or courses considered by the school to be full-time attendance.

The term "school" includes elementary, junior and senior high schools, colleges, universities, technical, trade, and mechanical schools. The term "school" does not include on-the-job training courses, correspondence schools, and night schools.

Example. James Jones, age 22, attends college as a full-time student. During the summer James earned $1,100, which he spent for his support. His father Frank provided more than $1,100 toward his support and the other tests were met. On his return, Frank takes James as one of his dependent children who lived with him.

Vocational high school students who work on "co-op" jobs in private industry as a part of the school's prescribed course of classroom and practical training are considered full-time students.

Night school. Your child is not a full-time student while attending school only at night. However, full-time attendance at a school may include some attendance at night as part of a full-time course of study.

Correspondence courses. Your child does not qualify as a full-time student by taking correspondence courses, employee training courses, or similar programs.

Dependent Child's Computation of Tax Table Income

If you had interest, dividends, or other unearned income of $1,000 or more and could be claimed as a dependent by another taxpayer, you must use Form 1040 and itemize your deductions. This applies whether or not the taxpayer actually takes an exemption for you on his or her return.

You do not have to itemize deductions if you had wages, salaries, and other earned income of $2,300 or more if you are single ($1,700 or more if married filing separately).

If your itemized deductions are at least $2,300 and you are single ($1,700 if married filing separately), tax table income is adjusted gross income minus excess itemized deductions.

If your itemized deductions are less than $2,300 and you are single ($1,700 if married filing separately), figure the tax table income as follows:

1) Subtract the larger of your itemized deductions or earned income from the zero bracket amount for your filing status—$2,300 if you are single, $1,700 if you are married filing separately. If you are married filing separately and your spouse itemizes deductions, you must subtract itemized deductions from the zero bracket amount.

2) Add the result in (1) to your adjusted gross income. The result is your tax table income. This addition is an adjustment you must make to figure tax table income, because the figures shown in the tax tables and tax rate schedules include the zero bracket amount.

You must complete Part II of Schedule TC (Form 1040) and attach it to your completed return to show the computation of tax table income.

Example 1. Walter Green, a single individual, is claimed as a dependent on his parents' return. Walter's adjusted gross income, line 31, Form 1040, is $4,000. Of this amount, $1,500 was earned income from a summer job and $2,500 was unearned income that he received as a beneficiary of a trust.

Because Walter could be claimed as a dependent on his parents' return and has unearned income of $1,000 or more and earned income of less than $2,300, he must itemize his deductions. Walter completes Schedule A (Form 1040). His total deductions, shown on line 39, Schedule A, are $500. On line 40, Schedule A, Walter enters $2,300, the zero bracket amount for a single individual. Because the zero bracket amount is more than Walter's itemized deductions, he must use Part II of Schedule TC (Form 1040) to figure his tax table income. Because Walter's earned income is more than his total itemized deductions, he enters his earned income of $1,500 on line 3, Part II of Schedule TC.

He subtracts the $1,500 from his zero bracket amount of $2,300. Walter enters the $800 ($2,300 − $1,500) on line 4 and adds it to the $4,000 on line 1, Part II of Schedule TC. Walter's Schedule TC is shown at the end of this publication. Walter then enters his tax table income, $4,800, on line 34, Form 1040, and using Tax Table A determines that his tax is $214, which he enters on line 35, Form 1040, after checking the Tax Table box on that line.

Example 2. Nancy White is married and claimed as a dependent on her parents' return. Her husband files a separate return and itemizes his deductions. Nancy earned $1,500 from a part-time job and had $150 from bank interest. Nancy's itemized deductions total $50. She figures her tax table income as follows:

1) Adjusted gross income		$1,650
2) Zero bracket amount for a married person filing separately	$1,700	
3) Itemized deductions (see *Note* following)	50	
4) Line 2 less line 3		1,650
5) Tax table income (line 1 plus line 4)		$3,300

Note: Because Nancy's husband is filing a separate return and itemizing deductions, Nancy must subtract her itemized deductions from the zero bracket amount even though her earned income is larger.

3. Member of Household or Relationship Test

You may take an exemption for an unrelated person who lives with you for the entire year and is a member of your household.

Temporary absences. If a person is temporarily absent from your home for such reasons as vacation, school, or sickness, you may be able to take an exemption for the person if the other tests are met.

If the person is placed in a nursing home for an unspecified period of time to receive constant medical care, the absence is considered temporary.

Death or birth. If a person died during the year, but was a member of your household until death, the person will meet the member of household test. The same is true if a child was born during the year and was a member of your household for the rest of the year or would have been a member, except for any required hospital stay following birth.

A person is not a member of your household if at any time during your tax year the relationship between you and that person is against local law.

A dependent related to you in any of the following ways need not live with you or be a member of your household for you to claim the exemption:

Your child, grandchild, or great grandchild, etc., (a legally adopted child is considered your child),

Your stepchild,

Your brother, sister, half brother, half sister, stepbrother, or stepsister,

Your parent, grandparent, or other direct ancestor, but not foster parent,

Your stepfather or stepmother,

A brother or sister of your father or mother,

A son or daughter of your brother or sister,

Your father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law.

Any relationships that have been established by marriage are not ended by death or divorce.

Before legal adoption, a child is considered to be your child if he or she was placed with you for adoption by an authorized agency and was a member of your household. If the child was not placed with you by such an agency, you may take the child as a dependent only if the child was a member of your household for your entire tax year.

A foster child is considered to be your child if your home is the child's principal home and the child is a member of your household for the entire year. See *Foster Child,* later.

If your foster child was born or died during the year, you may take the dependency exemption if the child lived in your household for the part of the year the child lived. This does not include any required hospital stay following birth or other temporary absences.

An exemption for your cousin ordinarily is not allowed unless the cousin lives with you as a member of your household for the entire year. A cousin is a descendant of a brother or sister of your father or mother.

If you file a joint return, you need not show that the dependent is related to both of you. You may, for example, claim an exemption for your spouse's uncle who receives more than half his support from you, even though the uncle does not live with you.

If you and your spouse file ***separate returns,*** you may not claim an exemption for your spouse's uncle, unless he is a member of your household and lives with you for the entire tax year.

4. Citizenship Test

Your dependent must be a U.S. citizen, resident, or national, or a resident of Canada or Mexico for some part of the calendar year in which your tax year begins.

Children usually are citizens or residents of the country of their parents.

If you were a U.S. citizen when your child was born, the child may be recognized as a U.S. citizen for tax purposes although the other parent was a nonresident alien and the child was born in a foreign country. If so, you may take the child's exemption, even though the child lives abroad with the nonresident alien parent. The other dependency tests must be met.

If you are a U.S. citizen living abroad, and have legally adopted a child who is not a U.S. citizen or resident, you may take the child as a dependent if the child has your home as a principal home and is a member of your household for your entire tax year.

Foreign students brought to this country under a qualified international education exchange program and placed in American homes for a temporary period generally are not U.S. residents, and may not be taken as dependents. However, if you provided a home for a foreign student, you may be able to take a charitable contribution deduction. See Publication 526, *Charitable Contributions.*

5. Joint Return Test

You are not allowed an exemption for your dependent if he or she files a joint return.

Example. You supported your daughter for the entire year while her husband was in the armed forces. The couple files a joint return. Even though you meet all the other tests, you may not take your daughter as a dependent.

Exception. You may take an exemption for your married dependent if neither the dependent nor the dependent's spouse is required to file a return, but they file a joint return to claim a refund of tax withheld.

Example. Your son and his wife each earned less than $1,000. They are not required to file a tax return. Taxes were withheld from their income so they file a joint return to get a refund. You are allowed an exemption for your son, if you meet the other four tests discussed earlier.

Total Support

To figure if you provided more than half the support of a dependent, you must first determine the total support provided by you, by the dependent, and by others.

Total support is the sum of:

1) The fair rental value, defined later, of lodging for the dependent, and
2) All expenses paid or incurred directly by or for the dependent, such as clothing and medical expenses, and
3) A share of expenses that are not directly related to a particular individual, such as the cost of food for the entire household. This does not include any of the expenses discussed under *Lodging*.

Money that is not included in gross income, such as social security, veterans' benefits, etc., must be considered in determining support. For example, an amount borrowed by the dependent, or by you, and spent for support must be included in total support.

Amounts that a dependent receives are not support unless they are actually spent for support.

Example. Your mother received $2,400 in social security benefits and $300 in interest. You paid $1,600 for her food and clothing and $900 for her medical bills. She paid $2,000 for lodging, $400 for recreation, and $300 for life insurance premiums. Your mother's total support is figured as follows:

Lodging (paid by your mother)	$2,000
Recreation (paid by your mother)	400
Food and clothing (paid by you)	1,600
Medical expenses (paid by you)	900
Total support	$4,900

Even though your mother received a total of $2,700, she spent only $2,400 for her support. Her gross income was only $300 in interest, and she met the other dependency tests. Because you provided more than half of the total support, you may take your mother as a dependent. Life insurance premiums are not support items.

Include in Total Support

Total support includes amounts spent to provide food, shelter, clothing, education, medical and dental care, recreation, transportation, and similar necessities.

Lodging is the fair rental value of the room, apartment, or house in which the dependent lives. It includes a reasonable allowance for the use of furniture and appliances, for heat and other utilities. Fair rental value is used in place of rent, or taxes, interest, depreciation, paint, insurance, cost of furniture and appliances, etc.

The fair rental value is the amount you could reasonably expect to receive from a stranger for the same kind of lodging.

If the dependent lives with you, you are considered to provide the dependent's total lodging. This is the fair rental value of the room your dependent uses, or a share of the fair rental value of the entire dwelling if the dependent has use of your entire home.

Example 1. Grace Smith, mother of Evelyn Jones, lives with Frank and Evelyn Jones and their two children. Grace gets a pension of $1,500, which she spends for clothing and recreation. Only $500 of this pension is included in Grace's gross income. The rest is a return of cost and is not included in her income. Frank's total food expense for the household is $3,000. He pays Grace's medical and drug expenses of $275. The fair rental value of the lodging provided Grace is $960 a year, based on the cost of similar rooming facilities. Grace's total support is figured as follows:

Fair rental value of lodging		$ 960
Direct expenses paid by Grace	$1,500	
Direct expenses paid by Frank (medical)	275	1,775
Share of food (1/5 of $3,000)		600
Total support		$3,335

Because the support Frank provides ($960 lodging + $275 medical expenses + $600 food = $1,835) is more than half of $3,335 total support, and Grace has less than $1,000 gross income, he may take Grace as a dependent by entering the necessary information on his return.

Example 2. Your parents live with you, your spouse, and your two children in a house you rent. The fair rental value of their lodging is $2,000 a year. Your father receives a nontaxable pension of $3,200, which he spends equally for your mother and himself, for clothing and recreation. Your total food expense for the household is $3,000. Your heat and utility bills amount to $1,200. Your mother has hospital and medical expenses of $600, which you pay during the year. Figure your parents' total support as follows:

	Support provided	
	Father	Mother
Fair rental value of lodging	$1,000	$1,000
Pension spent for their support	1,600	1,600
Share of food (1/6 of $3,000)	500	500
Medical expenses for mother		600
Parents' total support	$3,100	$3,700

You provide $1,500 ($1,000 lodging, $500 food) of your father's total support of $3,100—less than half. You provide $2,100 to your mother ($1,000 lodging, $500 food, $600 medical)—more than half of her total support of $3,700. You may claim your mother as a dependent, but not your father. Heat and utility costs are included in the fair rental value of the lodging, so they are not considered separately.

If the dependent does not live with you, the total fair rental value of lodging must be divided depending on how much of the total lodging you provide. If you provide only a part and the dependent supplies the rest, the fair rental value must be divided between you and the dependent according to the amount each of you provides.

Example 1. Your parents live rent-free in a house you own. It has a fair rental value of $2,400 a year unfurnished and $3,600 furnished. This does not include heat and utilities. The house is completely furnished with furniture belonging to your parents. Your father receives nontaxable pension payments of $1,000, which he spends equally for their support. You pay $900 for their groceries and $600 for their utility bills. Utilities are not usually included in rent for houses in the area where your parents live. Therefore, you consider the total fair rental value of the lodging to be $4,200 ($2,400 fair rental value of the unfurnished house, $1,200 allowance for the furnishings provided by your parents, and $600 cost of utilities). The total support of your parents is figured as follows:

Fair rental value of lodging	$4,200
Expenses paid by father	1,000
Food provided by you	900
Their total support	$6,100

The $3,900 support you provide ($2,400 fair rental value of house + $600 cost of utilities = $3,000 lodging, plus $900 food) is more than half their $6,100 total support, so you may take them as dependents.

Example 2. Assume that in Example 1 you spend $550 for your father's clothing and do not provide the cost of food. Your mother buys their food with $900 of her savings. The total support of your parents is:

	Support provided		
	Father	Mother	Total
Fair rental value of lodging	$2,100	$2,100	$4,200
Expenses paid by father	500	500	1,000
Father's clothing	550		550
Food bought by mother	450	450	900
Total	$3,600	$3,050	$6,650

The $3,550 support you provide ($3,000 lodging plus $550 clothing) is more than half the $6,650 total support of your parents. But you must figure the dependency status of each parent separately. In figuring the amount of support you provide to each parent, you must divide your contributions for their mutual benefit between them. Therefore, the amount you give your mother, $1,500 (half of the $3,000 lodging), is less than half of her total support of $3,050. You may not take her as

your dependent. However, you do provide more than half the support of your father ($1,500 lodging plus $550 clothing).

Dependent living in his or her own home. The total fair rental value of the dependent's home is considered support contributed by the dependent.

Example. You provide $2,000 to the support of your father. He lives alone in a house he owns. It has a fair rental value of $4,500 a year, including an allowance for furniture, appliances, and utilities. Your father spends $1,500 of his savings for taxes, utilities, and upkeep of his home. His total support is $6,500 ($2,000 + $4,500). Your contribution of $2,000 is less than half his total support. You may not take him as a dependent. The $1,500 that your father spends for taxes, etc., is not considered separately, because it is spent on items included in fair rental value.

If you help to keep up the home by paying interest on the mortgage, real estate taxes, fire insurance premiums, ordinary repairs, or other items directly related to the home, or give your dependent cash to pay them, the total fair rental value that is provided by the dependent is reduced by those amounts in figuring the dependent's contribution.

Example. You provide $2,000 cash for your father's support during the year. He lives in his own home, which has a fair rental value of $2,400 a year. He uses $500 of the money you give him to help pay his real estate taxes. His total support is figured as follows:

Cash provided by you	$2,000
Fair rental value of house, provided by father for his own support, $2,400, reduced by $500 for taxes	1,900
Father's total support	$3,900

Because you provide more than half your father's support, you may take him as a dependent. If you live with your dependent father rent-free in his home, the amount you provide for his support is reduced by the fair rental value of lodging he provides you.

Property provided as support is measured by its fair market value.

Capital expenses. Capital items, such as furniture, appliances, and cars that are bought for a dependent during the year must be included in total support if the item is for support.

The following examples show when a capital item is support.

Example 1. You buy a $200 power lawn mower for your 13-year-old child. The child is given the duty of keeping the lawn trimmed. Because a lawn mower is ordinarily an item you buy for personal and family reasons that benefits all members of the household, you cannot include the cost of the lawn mower in the support of your child.

Example 2. You buy a television set that costs $150 as a birthday present for your 12-year-old child. The television set is placed in your child's bedroom. You include the cost of the television set in the support of your child.

Example 3. You pay $5,000 for a car that is titled and registered in your name. You and your 17-year-old child use the car equally. Because you own the car and do not give it to your child but merely let your child use it, you cannot include the cost of the car in your child's total support. However, you can include in your child's support your out-of-pocket expenses of operating the car for the benefit of your child.

Example 4. Your child, using personal funds, buys a car for $4,500. You provide all your child's support—$4,000. Since the car is bought and owned by your child, the car's fair market value ($4,500) must be included in your child's support. The $4,000 support you provide is less than half your child's total support of $8,500. You cannot claim your child as a dependent.

Medical insurance premiums include premiums you pay for supplementary medicare coverage. These are included in the total support you provide for the dependent. Medical insurance ***benefits*** are ***not*** part of support.

Medicare benefits. Neither basic nor supplementary medicare benefits are considered support provided by the person who receives the benefits, nor are they included in gross income.

Amounts veterans receive under the GI Bill for tuition payments and allowances while they attend school are included in total support.

Example. During the year your son receives $1,750 from the government under the GI Bill. He uses this amount for his education. You provide the rest of his support—$1,500. Because GI benefits are included in total support, your son is not your dependent.

Armed forces dependency allotments. Both the part of the allotment contributed by the government and the part withheld from your military pay are considered provided by you in figuring whether you provide more than half the support of your dependents. If your allotment is used to support dependents other than those you name, you may take the exemptions for them if they otherwise qualify as dependents.

Example. You are in the armed forces. You authorize an allotment for your widowed mother, which she uses for the support of herself and your sister. If it provides more than half of their support, you may take exemptions for both of them, even though you authorize the allotment only for your mother.

Tax-exempt military quarters allowances are treated the same way as dependency allotments in figuring support. Both the allotment of pay for the support of dependents and the tax-exempt basic allowance for quarters are considered as provided by the armed forces member for the support of dependents.

Armed services academy appointment. A student who is enrolled in an armed services academy for the full year may not be claimed as a dependent. However, if your child or your relative is in a service academy for only part of the year, you may claim the exemption if the dependency tests are met. To determine if you provide more than half the support, you must include in total support the pay and allowances that are provided by the armed services while your child or relative is in the academy.

Tax-exempt income, savings, and borrowed amounts used to support a dependent must be included in figuring total support. Tax-exempt income includes social security benefits, welfare benefits, life insurance proceeds, armed forces family allotments, nontaxable pensions, and tax-exempt interest.

Example 1. You provide $1,200 to your mother's support during the year. She has taxable income of $600, social security benefit payments of $1,200, and interest on municipal bonds of $200. All these are used for her support. You may not claim your mother as a dependent, because the $1,200 you provide is not more than half her total support of $3,200.

Example 2. Your daughter takes out a student loan of $2,500 to pay her college tuition. She is personally responsible for the loan. You provide $2,000 toward her total support. Because she provides $2,500, you may not claim your daughter as a dependent, because you provide less than half her support.

Social security benefit payments. If a husband and wife each receive payments that are paid by one check made out to both, half the total paid is considered for the support for the husband and half for the wife, unless it can be shown otherwise.

If a child receives social security benefits and uses them toward his or her own support, the payments are considered as provided by the child.

State benefit payments based on need are considered as support provided by the state, unless it is shown otherwise. For example, AFDC (aid to families with dependent children) payments are not considered support provided by the parent. It is support provided by the state.

When a relative is in a home for the aged or an institution supported by a state, religious, fraternal or charitable organization, you must compare the amount spent by the agency to support the relative with the amount you spent to determine if you provided more than half of the support. If you make a lump-sum advance payment to a home for the aged to take care of your relative for life and the payment is based on that person's life expectancy, the amount of your support each year is the lump sum payment divided by the life expectancy, plus any other support that you provided during the year.

Your relative may require extra care, such as private nursing care or a major surgical operation in a state hospital. In this case you must use the actual cost to the agency for maintaining the relative during the year to measure total support.

Other items may be considered as support depending on the facts in each case. For example, if you pay someone to provide child care or disabled dependent care you may include these payments as support, even though you claim a credit for them. For information on the credit, see Publication 503, *Child and Disabled Dependent Care.*

Do Not Include in Total Support

The following items are not included in total support—

Federal, state, and local income taxes paid by dependents from their own income.

Social security taxes paid by dependents from their own income.

Funeral expenses.

Life insurance premiums.

Scholarships received by your child (as defined earlier under *Gross Income Test)* who qualifies as your dependent. This includes the value of education, room, and board provided for your child. This also applies to room, board, and tuition provided for a handicapped child attending a special school. It also applies to a mentally retarded child in an educational institution if the institution certifies that it is making an effort to educate or train the child.

Example. Your daughter receives a $1,000 scholarship. In the same year you provide $800 as her only other support. You may take her as a dependent because the scholarship is not included in determining total support.

If a child is committed to a state training school because of antisocial behavior, the value of the room, board and education provided is not a scholarship. It must be included in support.

Student nurses' room and board provided by an accredited school of nursing.

Suvivors' and Dependents' Educational Assistance Act payments used for the support of the child who receives them.

Foster Child

A foster child is a child who is in your care and who you care for as your own.

Reimbursement to foster parents. When a child-placing agency reimburses you for taking care of children placed in your home, and the payments are not more than your expenses, you do not include the payments in your income. You may not deduct the expenses.

If the payments are ***more*** than your expenses, you include the excess payments in your income. If the payments are ***less*** than your expenses, you may take a charitable contribution deduction for the unreimbursed expenses if the agency is an organization to which contributions are deductible. You may not claim the foster child as a dependent because your reimbursed expenses are incurred for the child-placing agency. Any unreimbursed expenses are charitable contributions for the use of the child-placing agency rather than your own expenses for support of the child.

Example. You provide a home for a foster child, Billy, under the supervision of a child-placing agency. The agency chose the child to be placed in your home. You received funds from the agency to cover the cost of maintaining Billy in your home.

The agency makes a $253 payment at the end of the month as reimbursement for amounts you spent to provide food, shelter, clothing and other items of support for Billy during the month. Billy assists in such household chores as are normally expected of children in a family, but does not render such household services as would compensate you for your support. You report to the agency the costs for medical and clothing expenses, and the agency makes direct payment for these expenses or increases your monthly check if you spent your own funds.

Do not include in your gross income the payments made by the agency to reimburse you for taking care of Billy. Any expenses for the care of Billy that are more than the amount paid by the agency are a contribution to the agency. Billy cannot qualify as your dependent because your costs were paid by the agency and any excess was a contribution to the agency. The payments from the agency are not subject to employment or self-employment taxes.

Additional payments for foster care. If you maintain space in your home for foster care or are paid for your foster care services in addition to receiving reimbursements, you are considered self-employed and engaged in a trade or business.

Do not include in your income the part of each payment you receive to reimburse you for the expenses of providing foster care. Do not deduct the related expenses. You must include in income the remaining part of each payment, including any amount for maintaining space in your home. Report it as trade or business income. You may deduct any expenses you incur for which you are not reimbursed as business expenses. See Publication 587, *Business Use of Your Home.* You may not claim the foster child as a dependent because your reimbursed expenses are incurred for the child-placing agency. You incur any unreimbursed expenses in your trade or business.

Example. You agreed to provide continuous 24-hour maintenance of three spaces in your home for the temporary and emergency care of children to be placed there by the local welfare department. You provide the items of support necessary to the children. These include room, board, clothing, personal needs, and spending money. The foster children assist in such household chores as are normally expected of children in a family, but do not render such household services as would compensate you for your support. The welfare department inspects the home periodically to insure that the foster children placed there receive proper care and gives advice and supervision to you as needed.

The welfare department pays you a monthly fee for each of the three spaces maintained for the children whether or not the spaces are used. In addition, the welfare department pays you a monthly amount for each child to reimburse you for the costs of supporting the child and to provide a reasonable profit.

You are in an independent trade or business and are not an employee of the agency. A part of each payment you receive is for the space you keep available and for expenses for the agency as foster parents. The rest is compensation for your services. Do not include in your gross income the part of the payment for the expenses of foster care. You must include in your gross income the rest for compensation and to provide space. You may deduct any child care expenses that are more than the payments made by the agency as ordinary and necessary business expenses. You are not entitled to a dependency exemption for any foster child in this situation.

Multiple Support Agreement

Sometimes no one person provides more than half the support of a dependent. Instead, two or more persons, each of whom would be able to take the exemption but for the support test, together provide more than half the dependent's support.

When this happens, these persons can agree that any one of them who individually provides more than 10% of the dependent's support, ***but only one*** of them, may claim an exemption for the dependent. Each of the others must file a written statement agreeing not to claim the exemption for that year. The statements must be filed with the income tax return of the person who claims the exemption. Form 2120, *Multiple Support Declaration,* is used for this purpose. A filled-in Form 2120 is shown at the end of this publication.

Example 1. You, your sister, and your two brothers provide the entire support of your mother during the year. You provide 45%, your sister 35%, and your two brothers each provide 10%. Either you or your sister may claim an exemption for your mother. The other must file a written statement agreeing not to take an exemption for her. Because neither brother provides more than 10% of the support, neither of them can take the exemption. Your brothers do not have to file the statement.

Example 2. You and your brother each provide 20% of your mother's support during the year. The remaining 60% of her support is provided equally by two persons who are not related to her. She does not live with them. Because more than half her support is provided by persons who cannot take her as a dependent, the exemption may not be taken by anyone.

Example 3. Your father who lives with you receives 25% of his support from social security, 40% from you, 24% from his brother, and 11% from a friend. Either you or your uncle may take the exemption for your father if a Form 2120 or a written statement from the one not taking the exemption is attached to the return of the one who takes the exemption.

Example 4. Frank Jones and his two brothers provide $3,500 for the entire support of their sister, Clara Jones. Frank provides 35%, one brother 35%, and the other brother the remaining 30%. The brothers agree to let Frank take Clara as his dependent. They give Frank signed Forms 2120 for attachment to his return.

Support Test for Divorced or Separated Parents

The support test for a child of divorced or separated parents is based on special rules that apply only if the following tests are met:

1) The parents are divorced, legally separated under a decree of divorce or separate maintenance, or separated under a written separation agreement, and
2) One or both parents provide more than half the child's total support for the calendar year, and
3) One or both parents have custody of the child for more than half the calendar year.

Your child is defined earlier under the *Gross Income Test.*

This discussion does not apply in any of the following situations:

1) A third party, such as a relative or friend, provides half or more of the child's support, or
2) The child is in the custody of a person other than the divorced or separated parents for half the year or more, or
3) The support of the child is determined under a multiple support agreement, or
4) The parents are separated under a written separation agreement, but they file a joint return for the tax year, or
5) The parents live apart without a written separation agreement or decree of divorce or separate maintenance, or
6) The dependent is not the child of the divorced or separated parents. Support of other dependents is determined under the regular method discussed previously under *Total Support.*

Parent Who Has Custody

The parent who has custody of the child for the greater part of the year is treated as the parent who provides more than half the child's support. It does not matter whether that parent actually provided more than half the support, unless the exceptions discussed under *Parent Who Does Not Have Custody—Special Rule* apply.

Custody is usually determined by the terms of the most recent decree of divorce or separate maintenance, or a later custody decree. If there is no decree, use the written separation agreement. If neither a decree nor agreement establishes custody, then the parent who has the physical custody of the child for the greater part of the year is considered to have custody of the child. This also applies if the validity of a decree or agreement awarding custody is uncertain because of legal proceedings pending on the last day of the calendar year.

If the parents are divorced or separated during the year, and had joint custody of the child before the separation, the parent who has custody for the greater part of the rest of the year is considered to have custody of the child for the tax year.

Example 1. Under the terms of your divorce, you have custody of your child for 10 months of the year. Your former spouse has custody for the other 2 months. You and your former spouse provide the child's total support. You are considered to have provided more than half the support of the child, unless your former spouse meets one of the two exceptions under the *Parent Who Does Not Have Custody—Special Rule.*

Example 2. Assume that in Example 1 your aunt gives $600 of the $1,100 necessary to support your child. Neither you nor your former spouse may take the child as a dependent, because the two of you did not provide more than half the child's support.

Parent Who Does Not Have Custody—Special Rule

The parent who does not have custody, or who has it for the shorter time, is considered to have provided more than half the child's support if either one of the following two exceptions applies.

First exception. You do not have custody and you provide at least $600 toward each child's support during the calendar year. The decree of divorce or separate maintenance, or a written agreement between you and the other parent, says you can take the dependency exemption.

If a written agreement between the parents gives the exemption to the parent who does not have custody, a copy of the agreement must be attached to the return (or amended return) of the parent who does not have custody. In the case of an amended return, the written agreement may be made after the close of the tax year, if it is made within the 3-year period for filing a claim for refund.

Example. Under the terms of your divorce decree, your former spouse has custody of your child. The decree specifically states that you have the exemption. You provide at least $600 in child support during the calendar year. You can take the exemption.

Second exception. You do not have custody and you provide $1,200 or more of support for each child for the calendar year. Your former spouse does not show that he or she provides more for support. You can take your child's exemption even though the decree of divorce or separation, or a written agreement, gives the exemption to the parent who has custody.

Example 1. Under the terms of your divorce, your former spouse has custody of your two children and the decree does not provide who may take the dependency exemptions. You provide $1,300 for the support of each child during the calendar year. Your former spouse can prove that he or she gives only $800 toward the support of each child during the year. You can take the exemptions.

Example 2. Assume that in Example 1 you provide only $1,000 for the support of each child. Even though your former spouse can prove only $800 toward each child's support, you may not take their exemptions because you provide less than $1,200 support for each child.

Example 3. Your former spouse has custody of your three children and the agreement does not indicate which parent may take the dependency exemptions. Under the terms of your divorce decree, you provide $1,200 for the support of your oldest child, and $1,000 each for the support of the other two children. Your spouse provided $2,700 for all three children. Even though you have provided more than half the support for each child, you are not entitled to claim the exemptions for your two younger children because you did not provide $1,200 or more toward the support of each. However, you can take an exemption for the older child because you provided $1,200 for that child's support.

Child Support

In figuring the support each parent provides, for the purpose of these exceptions, all child support payments actually received from the parent who does not have custody are considered used for the support of the child. For example, the total support of a child is $1,500. The parent who does not have custody provides $1,200 for the child's support. This amount is considered provided by the parent who does not have custody even if the $1,200 was actually spent on things other than support.

Payments for support for an earlier year. If support payments made this year are not more than the amount required of the parent who does not have custody, the amount of support provided by that parent is not reduced by any payment of support the noncustodial parent owed for an earlier year. If the support payments are more than the amount required for this year, any payment for an earlier year is not support provided by the parent who does not have custody for either the earlier year or for this year. It is reimbursement

to the parent who has custody for amounts paid for the support of the children in an earlier year.

Example. Under your divorce decree, you must pay $200 a month to your former spouse for the support of your two children. Last year you did not pay the full amount. You paid $2,000 instead of $2,400 for the year. This year, if you pay the $2,400 for this year, the entire $2,400 is considered support provided by you. If you also pay any part of the $400 you owe from last year, that amount is not included as support provided by you.

Support furnished by a third party for a divorced or separated parent is not included as support provided by that parent.

Example. You are divorced. During the entire year you and your child live with your mother in a house she owns. Your former spouse provides $1,300 during the year for the support of the child. You provide $500. The fair rental value of the lodging provided by your mother for your child is $1,000. If there is no multiple support agreement, your former spouse can take the exemption for your child, because he or she provides more than $1,200 in child support payments. The amount your former spouse provides is more than your costs of support. The home provided by your mother is not included in the amount of support you provide.

Remarried parent. If you are a divorced parent who has custody of your child and you remarry, the support provided by your new spouse is treated as provided by you.

Example. You have custody of two children of a former marriage. You have remarried and are living in a home jointly owned by you and your present spouse. Your decree of divorce does not state who can take the exemptions. Your former spouse provides $2,400 ($1,200 each) to support the two children. The fair rental value of the home provided to the children by you and your present spouse is $500 for each child. You also provide $900 of additional support items for each child. Total support amounts to $2,600 for each child. Because you and your present spouse provide $1,400 of support for each child, you can take the exemptions for the children.

Home jointly owned. If you and your former spouse each has the right to use and live in the home, each of you is considered to provide half of the dependent's lodging. However, if the divorce decree gives only you the right to use and live in the home, you are considered to provide the dependent's entire lodging. It does not matter if the legal title to the home remains in the names of both parents.

Itemized statement. In cases involving the second exception under *Parent Not Having Custody—Special Rule*, either parent may request that the other parent advise if that parent intends to claim, or has claimed, the child as a dependent. In addition, an itemized statement of the support provided may be requested. Both the request and reply must be in writing. The parent must express in the request an intention to claim the child and furnish an itemized statement of the support he or she provided. Failure to make the request will not affect the right to claim the exemption.

The itemized statement should include the following information (which applies to either a child or children):

1) The name of the child (or children) being claimed, names of both parents, and, if known, the addresses and social security numbers of both parents,
2) The number of months during the calendar year the child lived in the home of each parent or person other than the parents, the amount of income of the child, and the total amount of support for the child, including amounts provided by persons other than the parents,
3) An itemized listing of the amounts spent during the year by the parent making the statement for medical and dental care, food, shelter, clothing, education, recreation, and transportation,
4) Amounts actually paid by the parent making the statement for support of the child that were required by a divorce decree or written separation agreement, and
5) Other amounts paid for support of the child during the year by the person making the statement.

Attaching statement to return. If you claim a child as a dependent and you either have made or received a request for an itemized statement, then unless you are reasonably certain that the other parent will not claim the child as a dependent, you must attach to your return a copy of your itemized statement and a copy of the other parent's itemized statement, if available, at the time the return is filed.

The Internal Revenue Service may require an itemized statement from either parent and may make it available to the other parent. If the required statement is not given, the claim of support by the parent failing to give the statement may not be allowed.

Once you establish your right to a dependency exemption under these rules, the child is considered your dependent for other tax purposes.

Form **2120** (Rev. Oct. 1980)

Department of the Treasury—Internal Revenue Service

Multiple Support Declaration

For instructions see other side.

During the calendar year 19 80, I paid more than 10% of the support of

SAMANTHA SMITH
(Name of person)

I could have claimed this person as a dependent except that I did not pay more than 50% of his or her support.

I understand that this person is being claimed as a dependent on the income tax return of SAMUEL SMITH
(Name)

1821 RIVER DR., WINDY CITY, IL 60687, and
(Address)

I agree not to claim an exemption for this person on my Federal income tax return for any tax year beginning in this calendar year.

Clarissa Cloud
(Signature)

999 | 22 | 1111
(Social security number)

APRIL 9, 1981
(Date)

1776 INDEPENDENCE LANE, LIBERTY, PA 17018
(Address)

SCHEDULE TC
(Form 1040)
Department of the Treasury
Internal Revenue Service

Tax Computation Schedule

▶ Attach to Form 1040.

1980

Name(s) as shown on Form 1040: WALTER GREEN

Your social security number: 111 : 11 : 1111

Part I Computation of Tax for Taxpayers Who Cannot Use the Tax Tables

Use this part to figure your tax if:

- Your income on Form 1040, line 34, is more than $20,000 and you checked Filing Status Box 1, 3, or 4 on Form 1040.
- Your income on Form 1040, line 34, is more than $40,000 and you checked Filing Status Box 2 or 5 on Form 1040.
- You had more exemptions than were shown in the Tax Table for your filing status.
- You figure your tax using Schedule G (Income Averaging) or Form 4726 (Maximum Tax on Personal Service Income).

1 Enter the amount from Form 1040, line 34	1		
2 Multiply $1,000 by the total number of exemptions claimed on Form 1040, line 7	2		
3 **Taxable income.** Subtract line 2 from line 1. (Figure your tax on this amount by using the Tax Rate Schedules or one of the other methods listed on line 4.)	3		
4 **Income tax.** Enter tax and check if from: ☐ Tax Rate Schedule X, Y, or Z, ☐ Schedule G, or ☐ Form 4726. Also enter on Form 1040, line 35	4		

Part II Computation for Certain Taxpayers Who MUST Itemize Deductions

If you are included in one of the groups below, you MUST itemize. If you must itemize and the amount on Schedule A (Form 1040), line 40, is more than your itemized deductions on Schedule A, line 39, you must complete Part II before figuring your tax.

You MUST itemize your deductions if:

A. You can be claimed as a dependent on your parents' return and had interest, dividends, or other unearned income of $1,000 or more and had earned income of less than $2,300 if single (less than $1,700 if married filing a separate return).

Note: *If your earned income is more than your itemized deductions, you don't have to fill in Schedule A. Just enter your earned income in Part II, line 3, of this schedule, unless you are married filing a separate return and your spouse itemizes deductions. Generally, your earned income is the total of any amounts on Form 1040, lines 8, 13, and 19. See page 11 of the instructions for Form 1040 for more details.*

B. You are married filing a separate return and your spouse itemizes deductions. (There is an exception to this rule. You don't have to itemize if your spouse must itemize only because he or she is described in **A** and enters earned income instead of itemized deductions on Part II, line 3, of this schedule. If this is the case, don't complete Part II. Go back to Form 1040, line 33, and enter $0. Then go to Form 1040, line 34.)

C. You file Form 4563 to exclude income from sources in U.S. possessions. (Please see **Form 4563,** and **Publication 570,** Tax Guide for U.S. Citizens Employed in U.S. Possessions, for more details.)

D. You had dual status as a nonresident alien for part of 1980, and during the rest of the year you were either a resident alien or a U.S. citizen. However, you don't have to itemize if at the end of 1980, you were a nonresident alien married to a U.S. resident or citizen and file a joint return reporting your combined worldwide income.

1 Enter the amount from Form 1040, line 31			1	4,000 00
2 If you checked Form 1040, Filing Status Box: {2 or 5, enter $3,400 / 1 or 4, enter $2,300 / 3, enter $1,700}	2	2,300 00		
3 Enter the amount from Schedule A, line 39	3	1,500 00		
Caution: *If you can be claimed as a dependent on your parents' return, see the* **Note** *above. Be sure you check the box below line 33 of Form 1040.*				
4 Subtract line 3 from line 2			4	800 00
5 **Add lines 1 and 4.** Enter here and on Form 1040, line 34. (Leave Form 1040, line 33 blank. Disregard the instruction to subtract line 33 from line 32. Follow the rest of the instructions for Form 1040, line 34.)			5	4,800 00

TC

Worksheet for Determining Support

Dependent's Income	1) Did the dependent receive any income, such as wages, interest, dividends, pensions, rents, social security, or welfare? (If yes, complete lines 2, 3, 4, and 5)	☐ Yes ☐ No
	2) Total income received by dependent	$
	3) Amount of dependent's income used for his or her support	$
	4) Amount of dependent's income used for other purposes	$
	5) Amount of dependent's income saved	$
	(The total of lines 3, 4, and 5 should equal line 2)	
Expenses for Entire Household (where dependent lived)	6) Lodging (Complete item a or b)	
	a) Rent paid	$
	b) If not rented, show fair rental value of home. If dependent owns home, include this amount in line 20.	$
	7) Food	$
	8) Utilities (heat, light, water, etc.)	$
	9) Repairs (not included in line 6a or 6b)	$
	10) Other. Do not include expenses of maintaining home, such as mortgage interest, real estate taxes, and insurance.	$
	11) Total household expenses (Add lines 6 through 10)	$
	12) Number of persons, including dependent, living in household	
Expenses for Dependent Only	13) Dependent's part of household expenses (line 11 divided by line 12)	$
	14) Clothing	$
	15) Education	$
	16) Medical, dental	$
	17) Travel, recreation	$
	18) Other (specify)	$
	19) Total cost of dependent's support for the year (Add lines 13 through 18)	$
	20) Amount dependent provided for own support (line 3, plus line 6b if dependent owns home)	$
	21) Amount others provided for dependent's support. Include amounts provided by state, local, and other welfare societies or agencies.	$
	22) Amount you provided for dependent's support (line 19 minus lines 20 and 21)	$
	23) 50% of line 19	$

If line 22 is more than line 23, you meet the support test for the dependent. If the dependent meets the other dependency tests, you may claim an exemption for that person. If line 23 is more than line 22, you may still be able to claim an exemption for the dependent under a multiple support agreement. See *Multiple Support Agreement* earlier in this publication.

Index

Absences, temporary 4
Adopted child (Relationship Test) 4
Adoption, before 4
Age exemption 1
Armed forces dependency allotments 6
Armed services academy 6
Blindness exemption 1
Capital expenses 6
Child born alive 3
Child, stillborn 3
Child under age 19 (Gross Income Test) 3
Child, your 3
  Gross Income Test 3
  Relationship Test 4
Citizenship Test 4
Citizenship Test, foreign student 4
Correspondence courses 3
Death before end of year:
  Dependents 3
  Spouse 1
Dependent child's computation of tax table income 3
Divorced parents 8
Dual-status taxpayers 1
Exemptions for dependents 3
Exemptions for spouse 1
  Spouse died 1
  Spouse had gross income 1
Fair rental value 5
Form 2120 7
  Filled-in 9
Foster child 4, 7
Full-time student 3
G! Bill (see also Support) 6
Gross income 3
Gross Income Test 3
  Gross rental receipts 3
  Manufacturing, merchandising, or mining 3
  Partnership income 3
  Tax-exempt income 3
Household, Member of, Test 4
Joint Return Test 4
Lodging 5
Medical insurance premiums 6
Medicare benefits 6
Member of Household or Relationship Test 4
Multiple Support Agreement 7
Night school 3
Nonresident aliens 1
Nurses, student 7
Parents 4
Partial blindness 1
Personal exemption 1
Relationship Test 4
Remarried parent 9
Rental value, fair 5
Schedule TC, Part II 4
  Filled-in 10
Scholarships 7
Social security 6
Spouse, not considered dependent 1
Spouse's exemptions 1
State benefit payments 6
Stepchild 4
Stillborn child 3
Student 3
Student nurses 7
Support Test 3
  Back payments for support 8
  Included in 5
  Not included in 7
  Parent who has custody 8
  Parent who does not have custody 8
  Total support 5
Survivors' and Dependents' Educational Assistance Act 7
Tax-exempt income 3, 6
Temporary absences (Member of Household) 4
Tests for Dependency 3
  1. Support Test 3
  2. Gross Income Test 3
  3. Member of Household or Relationship Test 4
  4. Citizenship Test 4
  5. Joint Return Test 4
Total support 5
Totally blind 1
Vocational high school 3
Worksheet for Determining Support 11
Your child 3

Taxation, Exemption from - H-5
Income Tax - H-5

1X350
1X850

P6.6

048-004-01739-3 $1.25

U.S. GOVERNMENT PRINTING OFFICE: 1980-341-543/6

For sale by the Superintendent of Documents, U.S. Government Printing Office
Washington, D.C. 20402